STATE OF MAINE PUBLIC UTILITIES COMMISSION

Docket No. 2004-200

June 3, 2004

KENNEBUNK, KENNEBUNKPORT AND WELLS WATER DISTRICT Request for Approval of Water Main Extension Exemption of a Portion of Chapter 650 §3A

ORDER APPROVING EXEMPTION

WELCH, Chairman; DIAMOND and REISHUS, Commissioner

I. SUMMARY OF DECISION

In this Order, we approve the exemption from §3(A) of Chapter 650 of the Commission's Rules to permit the Kennebunk, Kennebunkport & Wells Water District (District) to charge for the preparation of detailed estimates for complex main extensions and the related changes in the Terms and Conditions

II. BACKGROUND AND DECISION

On March 18, 2004, Kennebunk, Kennebunkport & Wells Water District (District), filed its request for an exemption from § 3(A) of Chapter 650 of the Commission's Rules to permit the District to prepare detailed estimates for potential customers on complex main extensions and charge for such services. The District has also submitted modified Terms and Conditions outlining its method of charging for a detailed estimate for complex main extensions.

The District is a publicly owned water utility serving Kennebunk, Kennebunkport, Wells, Ogunquit and portions of Biddeford. The District receives requests for approximately 50 main extensions each year, with approximately 10% considered complex. However, these complex estimates are using valuable resources that the District could use elsewhere. A typical complex main extension request will often include field investigations, data gathering, and engineering work, in order to accurately estimate the cost of the extension.

For complex main extensions, the District proposes to provide a preliminary estimate at no charge, with a "not-to-exceed" estimate of the cost of preparing a detailed estimate and preliminary design. If the customer wishes to proceed with the main extension request, the customer must deposit the estimated cost of the detailed

estimate and preliminary design. The District states that this will help prevent existing customers from absorbing high design costs for potential new customers.

In order to maintain consistency in how it charges customers requesting complex water main extensions, the District has submitted revised Terms and Conditions outlining the procedure for complex water main extensions. The cost for providing the preliminary design and detailed estimate will be based on the District's actual cost to perform the design and necessary preliminary work for design accuracy.

This District intends that this only be applicable to those water extensions that are complex due to the length of the water main, large number of potential customers or difficult site conditions. The District will continue to provide typical main extensions estimates at no charge to the potential customer.

The District's proposal balances the needs of current ratepayers and potential new customers by ensuring that the cost of planning is paid for by the customer responsible for those costs and is reasonable. Accordingly, we

ORDER

- That the Kennebunk, Kennebunkport and Wells Water District schedule of Terms and Conditions, consisting of Revised Sheet 5, filed on May 12, 2004, will become effective on June 14, 2004; and
- 2. That the Kennebunk, Kennebunkport and Wells Water District is hereby granted an exemption from Chapter 650 §3(A), that will allow the District to charge fees for complex water main extension estimates and design.

Dated at Augusta, Maine, this 3rd day of June, 2004.

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch

Diamond

Reishus NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

- 1. <u>Reconsideration</u> of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
- 2. <u>Appeal of a final decision</u> of the Commission may be taken to the Law Court by filing, within **21 days** of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
- 3. <u>Additional court review</u> of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.